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December 1, 2003

HAND DELIVERED

Arizona Corporation Commission Utilities Division – Docket Control 1200 W. Washington Street Phoenix, Arizona 85007

Re:

UniSource Energy Services Progress Report

Docket Nos. E-01032C-00-0751, G-01032A-02-0598, E-01933A-02-

0914, E-01032C-02-0914, G-01032A-02-0914

A.C.C. Decision No. 66028

Pursuant to A.C.C. Decision No. 66028, UniSource Energy Services ("UES") files this progress report on the negotiations to restructure the Pinnacle West Capital Corporation ("PWCC") Power Supply Agreement ("PSA").

UES representatives met with ACC staff on November 21, 2003 to discuss the materials contained in its October 1, 2003 status report. There has been no material change in the negotiation status since the October status report. UES will continue to discuss restructuring the PSA with PWCC.

Very truly yours,

LEWIS AND ROCA LLP

Thomas H. Campbell

cc:

Ernest Johnson, Utilities Division Director

A.C.C. Compliance Manager

All Parties of Record

Arizona Corporation Commission DOCKETED

DEC - 2 2003

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